

AGENDA ITEM NO.11.....

To: ECONOMIC DEVELOPMENT COMMITTEE		Subject: REDUNDANCY SUPPORT PROVISION
From: DIRECTOR OF PLANNING & ENVIRONMENT		
Date: 23 November 2000	Ref: SF/JG/REP748	

1. Purpose of Report

- 1.1 To update the Committee on the work undertaken by Council departments in the provision of redundancy support to affected workforces throughout North Lanarkshire.

2. Introduction

- 2.1 Members will recall that the Council has adopted a protocol that informs and guides the Council's approach to dealing with redundancy situations and in the provision of redundancy support for affected workforces.

3. Current Situation

- 3.1 In the period since the last report to the Economic Development Committee, report dated 13th July 2000, submitted to the Committee on the 24th August 2000, five new redundancy situations have been notified to the Economic Development Unit.

a) **Milroy Fabrications Ltd, Wishaw**

In all 23 workers were made redundant through the closure of this engineering company based in Wishaw. The company went into liquidation in July as a result of poor trading conditions. The Council received late notification of the closure which prevented a Partnership Action for Continued Employment (PACE) response. The Council managed to obtain company personnel details through the appointed liquidators which enabled the Economic Development Unit to provide a group advice session for those redundant workers interested in attending. Working with our colleagues in the Social Work Department, we provided advice and support in accessing employment and training and advice on welfare benefits. As the vast majority of the workforce were skilled engineering craftsmen it is envisaged that they may be able to gain employment fairly quickly although we will continue to offer support where required.

b) **Qudos Furniture Ltd – Newhouse Industrial Estate, Motherwell**

This company closed in August again as a result of company liquidation, resulting in 38 employees being made redundant. Late notification prevented any redundancy support being organised.

c) **Edward McBean Ltd – Wardpark Estate, Cumbernauld**

Company closure through liquidation in late August resulting in 80 employees being made redundant. Working with our partners in the Employment Service we were able to obtain personnel details from the liquidators enabling redundancy support and advice sessions to be organised for the redundant workforce. Of the 80 employees 23 attended these sessions where they received advice on employment options, training and welfare benefits. The Council's Economic Development Unit organised 2 further group sessions attended by 13 employees who were interested in training options. The Unit has now organised an Information Technology Training Programme for 10 of these employees at Cumbernauld College funded through the Council's Training Assistance Grant (TAG). Council staff will continue to provide a support service for this workforce as and when appropriate.

d) **Boots Contract Manufacturing – Motherwell Street – Airdrie**

Boots manufacturing announced 90 redundancies in September at their Airdrie manufacturing plant. The first redundancies will occur in December. Arrangements have been made through the PACE organisation in Lanarkshire to provide support services for the workforce. Airdrie Job Centre have made initial contact with the company and will continue to make all arrangements through PACE on behalf of the partnership.

e) **OKI Data Corporation – Wardpark North – Cumbernauld**

OKI corporation announced on the 18th of October that 240 of its full time staff and approximately 80 temporary employees are to be made redundant. The company has blamed a combination of decreased demand for Cumbernauld produced Dot Matrix products and the strong position of the Pound against the Euro for their poor competitiveness in Europe.

OKI will continue to employ more than 500 people in the Cumbernauld facility in engineering, quality assurance, logistics and manufacturing for Europe, Africa and Middle Eastern markets.

OKI has stated that its ongoing investment into Europe will not be affected by this recent development.

North Lanarkshire Council will work through PACE in conjunction with their partners to ensure that the workforce affected enjoy a full support programme.

4. **Update on previously reported redundancy situations**

4.1 Synopsis of NLC involvement and support provided.

4.2 In the period July to September North Lanarkshire Council's Economic Development Unit staff have continued to work with redundant ex-employees of Organon Ltd, Granby Lingerie Ltd and McBean Ltd in the analysis of their individual training needs.

4.3 As a result of this work 28 of those ex-employees have entered, or have continued to participate in, Information Technology Skills training programmes.

4.4 These training programmes are designed to cater for individual needs and as so are geared toward their skills level requirements.

4.5 Most of the ex-employees of these companies have spent a considerable part of their working life in one particular occupation, the majority of them in the textiles industry in production trades such as machinists or over-lockers. Analysis has pointed to a lack of transferable skills particularly Information Technology Skills. These information technology skills training programmes have therefore been designed to combat this skills deficiency and offer basic level, intermediate and more advanced training, depending on need.

4.6 The programmes are funded by the Economic Development Unit and are organised through Motherwell and Cumbernauld Colleges on an evening part-time basis.

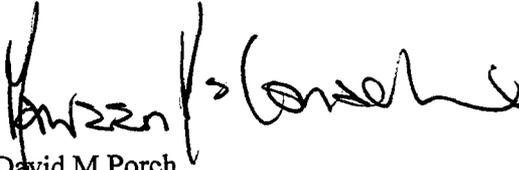
- 4.7 In addition to training needs analysis NLC staff have also been able to provide other advice services such as Welfare Benefits advice and money advice.
- 4.8 **Levi Strauss PLC (Whitburn) Closure – Monitoring Exercise**
- a) The monitoring exercise was conducted during the month of August in order to determine the impact of this closure on NLC residents and to offer further assistance to the workforce.
 - b) A total of 586 jobs were lost as a result of this closure in November 1999 of which approximately 25% were resident in the Shotts/Harthill area of North Lanarkshire.
 - c) Of 140 questionnaires issued 35 were returned. This represents a 25% response rate.
 - d) The questionnaire returns indicated that:
 - Most people in the sample who were made redundant have now obtained new employment
 - Most people are now financially worse off than when employed by Levi Strauss
 - Most people were unemployed after redundancy for a period greater than one month.
 - Most of the redundant Levi Strauss employees in the sample resided in Harthill.
- 4.9 Members will find attached, as appendices 1 and 2, the Levi Strauss Questionnaire and an analysis of the monitoring exercise conducted by the Economic Development Unit Marketing & Policy Team in September 2000.
- 5. Additional Developments**
- 5.1 North Lanarkshire Council's Economic Development Unit officers attended a conference on the impact of job losses in the Textile Industry. Organised by Dumfries & Galloway Council and entitled Leading Action for Textiles, Clothing & Footwear (LATCF) it was convened in the COSLA Headquarters, Edinburgh in September 2000.
- 5.2 This conference was the second occasion that local authorities had gathered to discuss this issue, the inaugural meeting having been held in Dumfries. The Edinburgh conference was convened to establish whether Scottish interests should:
- Join the LATCF organisation as it is currently organised in England.
 - Form a Scottish Branch of the current organisation or.
 - Form a unique Scottish organisation based on the LATCF model
- 5.3 It was the consensus of the meeting that a Scottish collective voice would provide a constructive contribution to the national debate on the state of the industry.
- 5.4 Work would require to be undertaken to establish the current state of the industry as many small firms had failed, but their redundancies were not numerically high enough to be notifiable to the DTI.
- 5.5 It was agreed that the LATCF constitution would be circulated for information. Authorities would present a thumbnail picture of the state of the industry in their area and a further meeting would be convened in late November to be hosted by Glasgow City Council.
- 5.6 Members will find attached as an appendix a report from this conference (Appendix 3)
- 6. Conclusion**
- 6.1 Redundancies and closures continue to blight the economy of Lanarkshire. Manufacturing, particularly textiles, appear to be bearing the brunt of these setbacks.

6.2 We will continue to provide support to affected workforces through the PACE organisations whilst continually striving to improve the organisation and effectiveness of this partnership.

7. Recommendations

7.1 It is recommended that the Economic Development Committee:

- (i) Note the contents of this report and
- (ii) Await the outcome of the next meeting of LATCF
- (iii) Await further reports to Committee on the developments of PACE and LATCF and on general redundancy support provision



David M Porch

Director of Planning and Environment

25 October 2000

For further information, please contact Stephen Fox, Economic Development Officer
Telephone: 01236 616270

Levi Strauss Monitoring

Q1. Are you currently in employment?

- Yes
 No (Go to Q5)

Q2. If so, who with?

Q3. Did you find this employment soon after leaving Levi Strauss?

- 1 Month
 2 Months
 3 Months
 Other, please state _____

Q4. If you did find employment, do you consider yourself to be:

- better off ?
 the same ?
 worse off ?

(Go to 10)

Q5. If you are not in employment are you:

- Unemployed? (Go to Q6)
 In training/education? (Go to 10)
 Caring for family? (Go to 10)
 Other, please state (Go to 10)

Q6. If unemployed but seeking employment, would you like help to:

- Retrain?
 Assistance with CV?
 Personal Development Skills?

Q7. If unemployed, are you sure that you and your family are receiving all the State Benefits you are entitled to?

- Yes (Go to Q9)
 No

Q8. If not, would you like confidential advice on this matter?

- Yes
 No

Q9. If North Lanarkshire Council can assist you in any way toward employment or help in any matter related to unemployment would you take advantage of this service?

- Yes
 No

Name Address Town Postcode Tel No

Information given on this form may be stored in computer files and as such is subject to provisions of the Data Protection Act.

Please return completed questionnaire in pre-paid envelope to:
 Economic Development Unit, North Lanarkshire Council
 Fleming House, 2 Tryst Road,
 Cumbernauld G67 1JW

Levi Strauss Monitoring

A total of 586 jobs were lost at the Levi Strauss factory in Whitburn in November 1999 when the company closed its sewing facility. An estimated 25% of the workforce resided in North Lanarkshire. Support for those affected was provided by a taskforce organised by West Lothian agencies. Lanarkshire was represented by Employment Services within this taskforce. North Lanarkshire Council did not provide any direct services to individuals affected by this redundancy situation.

At the beginning of August 2000, monitoring questionnaires (copy attached) were issued to 140 individuals from North Lanarkshire who were made redundant at the Whitburn factory. Those affected were asked a number of questions relating to their employment circumstances since being made redundant and a reply paid envelope was attached to encourage individuals to return the questionnaire.

The following information has been extracted from the returned questionnaires:

Number of questionnaires issued	140
Number of questionnaires returned	35
% number of questionnaires returned	25%

Based on the 35 questionnaires returned		
Number in employment	25	71%
Number unemployed	10	29%

Based on the 25 individuals now in employment		
Situation better off since the redundancy	2	8%
Situation the same since the redundancy	2	8%
Situation worse off since the redundancy	20	80%
Not answered question	1	4%

Based on the 25 individuals now in employment		
Employment within 1 month	7	28%
Employment within 2 months	4	16%
Employment within 3 months	8	32%
Employment within 6 months	5	20%
Employment within 10 month	1	4%

Based on the 35 questionnaires returned		
Live in Aidrie	1	3%
Live in Cleland	1	3%
Live in Coatbridge	1	3%
Live in Harthill	21	60%
Live in Shotts	6	17%
Live in Wishaw	4	11%
No address given	1	3%

Based on the 25 individuals now in employment		
Live in Aidrie	0	0
Live in Cleland	1	4%
Live in Coatbridge	0	0
Live in Harthill	15	60%
Live in Shotts	4	16%
Live in Wishaw	4	16%
No address given	1	4%

Conclusions

A repeat postal questionnaire could be issued to those who have not yet responded in an effort to increase the sample size. Realistically we are unlikely to achieve a sample higher than 35-40%.

There are some clear trends which are evident from the returns and these are:

- Most people have now got new jobs.
- Most employed people are now worse off than when they were employed at Levis.
- Most people were unemployed for a period greater than one month.
- Most of the redundant workers are from Harthill.

Leading Action For Textiles, Clothing & Footwear

Meeting 27th September Cosla Headquarters

Councils in Attendance Dumfries & Galloway
Perth & Kinross
Moray
Glasgow
Clackmanan
Highlands & Islands
South Lanarkshire
North Lanarkshire

Apologies Angus & Hebrides

The purpose of the meeting was to establish the Councils' interest in

- a) joining LATCF as it currently stands
- b) forming a Scottish branch of LATCF
- c) forming a unique Scottish organisation based on the LATCF model

Aija Gagens of LATCF gave an overview of the organisation (as brochure) and pointed out that since 1998 41,000 textile jobs have been lost. This has led to a high profile for the industry which should be maximised in terms of accessing funding to enhance skills and improve prospects.

LATCF have hosted conferences to raise the profile. The next is scheduled for 1st & 2nd March in Birmingham. The title is "Lock, Stock & Shooting Bobbins". This follows from the highly successful "Life After M&S".

The organisation also has European affiliation through ACTE, which involves 7 countries lobbying Brussels in respect of ethical trading and customs and excise duty. It is also regarded as providing a foot in the door for transnational projects as well as being an alliance for accessing regional aid and sharing of experience.

It was proposed that a group be formed as the timing is right to lobby not only at Westminster but also the Scottish Executive to fight to defend the industry. The body would form a conduit to take local issues into the national and international forum.

It was pointed out that the much publicised £15m allocated to the industry cannot be accessed due confusion over the criteria. Also none of this money has been aimed at Scotland and an application for aid would have to be submitted to the DTI.

Clarification was given that the work of the proposed body would not duplicate or overlap the work of the Scottish Textile Network which is driven by the LEC rather than the industry. More information about this organisation can be accessed through the Scottish Executive's website.

Difficulties arise through this body due to funding and training difficulties as the LEC will not fund trainers outwith their operational area. The notion of branch status being given to factories that were part of national/multinational groups was also suggested as this would create SME – type businesses and allow access to aid and assistance.

It was the consensus of the meeting that a collective voice would provide a constructive contribution. Moves were also required to establish the current state of the industry as many small firms have failed, but the redundancies have not been notifiable.

Issues of funding were addressed in respect of the diversification in the sizes of the local authorities and also the mechanisms of secretariat.

APPENDIX (3)

It was agreed that the LATCF constitution would be circulated for information. Authorities would present a thumbnail picture of the state of their local industry and a further meeting would be arranged in late November to be hosted by Glasgow City Council.